

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR AUTHORITY TO PETITION)	
THE COUNTY JUDGE/EXECUTIVE OF)	CASE NO.
BREATHITT COUNTY, KENTUCKY FOR THE)	98-502
ESTABLISHMENT OF A WATER DISTRICT)	

ORDER

IT IS ORDERED that R.D. Gabbard, Eugene Smith, Ina Southwood, John Lester Smith, and Georgia Jett (collectively "Petitioners") shall file no later than November 30, 1998, the original and 8 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the requested information should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. Where requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. a. List each water supplier and its mailing address that supplies water in Breathitt County, Kentucky or a county that adjoins Breathitt County, Kentucky.

 b. For each water supplier listed above, identify its source of water.
2. Refer to Petitioners' Application, Paragraph 10.

a. List the names and positions of the city of Jackson officials referred to in this Paragraph.

b. Who represented the Petitioners in these discussions?

c. When were these discussions held?

d. Provide all correspondence between Petitioners and/or their representatives and officials in which water service to the proposed water district was discussed.

3. a. How is the city of Jackson's water utility organized and governed? State the statute(s) under which it is organized.

b. What is the source of water for the city of Jackson?

c. What is the city of Jackson's current maximum production capacity?

d. What is the city of Jackson's current average and maximum daily water demand?

e. If the city of Jackson retains a private engineering firm to assist in the design and planning of its water system, identify this firm and provide its mailing address and telephone number.

f. State the name and address of the person who is currently responsible for the operation of the city of Jackson's water production and distribution system.

4. a. Describe all improvements that the city of Jackson requires to be able to serve the proposed water district.

b. For each improvement listed above, state its estimated cost.

c. Has the city of Jackson applied for funding for the proposed improvements necessary to serve the proposed water district?

d. If yes to Item (c),

(1) Identify each funding source to which the city of Jackson has applied.

(2) For each source listed above, state when the city of Jackson applied for funding and the amount of funding sought.

(3) For each funding source, indicate if a decision on the application has been made and the nature of that decision.

e. When does the city of Jackson expect to complete the proposed improvements necessary to serve the proposed water district?

5. a. Has the city of Jackson made any commitment in writing to provide water service to the proposed water district?

b. If yes, provide a copy of the written commitment.

6. a. Who prepared the spreadsheets and cost estimates contained in the Application?

b. State his or her business address.

c. Provide his or her curriculum vitae.

7. a. Provide all correspondence between Petitioners, their representatives, or Breathitt County officials and the funding agencies listed in the Application as sources of initial funds for the proposed water district.

b. List all discussions concerning funding for the proposed water district that the Petitioners, their representatives, or Breathitt County officials have had with the funding agencies listed in the Application as funding sources.

c. For each funding source listed in the Application, state the basis for the Petitioners' belief about the availability, level and terms of such funding.

8. a. What size of water main will be used to serve Highland-Turner School?

b. What is the proposed storage capacity of the water storage tank at Highland-Turner School?

c. Is the proposed storage tank at Highland-Turner School intended to benefit only the school? If not, what benefits will that storage tank provide to other customers of the proposed water district?

9. How was \$200,000 determined to be the appropriate contribution from the Breathitt County School Board for the proposed water facilities?

10. At what rate is the city of Jackson expected to sell water to the proposed water district?

11. a. When the proposed water district begins operations, how many persons will it employ?

b. What duties will these employees perform?

12. In their estimate of operation and maintenance costs, Petitioners estimate annual contracting expenses of \$12,000. What will these services involve?

13. Why is it appropriate to base initial water district revenues on sales to 500 customers when the proposed water district's initial construction plans indicate service to a potential 307 customers?

14. What is the median household income for the area proposed to be served?

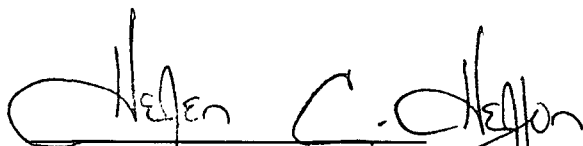
Done at Frankfort, Kentucky, this 17th day of November, 1998.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director